

**BROWN
ARMSTRONG**

**CERTIFIED
PUBLIC
ACCOUNTANTS**

BROWN ARMSTRONG

Certified Public Accountants

**INDEPENDENT ACCOUNTANT'S REPORT
ON APPLYING AGREED-UPON PROCEDURES**

The Honorable Board of Supervisors
County of San Luis Obispo
San Luis Obispo, California

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(MAIN OFFICE)**

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REGISTERED with the Public Company
Accounting Oversight Board and
MEMBER of the American Institute of
Certified Public Accountants

We have performed the procedures noted below with respect to information included in the Los Osos Landfill Financial Means Test Certification - Alternative I Worksheet, solely to assist you in connection with a determination as to whether the Alternative I Worksheet is accurate, as compared to the audited financial statements for the fiscal year ended June 30, 2015. The management of the County of San Luis Obispo is responsible for the accounting records. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of these procedures is solely the responsibility of those parties specified in the report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures are as follows:

We compared the information contained in the worksheet entitled "Alternative I" with the information contained in the audited financial statements.

Results:

There were no differences between the information reported in the worksheet entitled "Alternative I" and the audited financial statements of the County of San Luis Obispo for the year ended June 30, 2015.

We were not engaged to, and did not, conduct an audit, the objective of which would be the expression of an opinion on the information or amounts included in the aforementioned worksheet. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the County of San Luis Obispo Board of Supervisors, management of the County of San Luis Obispo, and the California Integrated Waste Management Board, and is not intended to be, and should not be, used by anyone other than those specified parties.

**BROWN ARMSTRONG
ACCOUNTANCY CORPORATION**

*Brown Armstrong
Accountancy Corporation*

Bakersfield, California
March 15, 2016

ALTERNATIVE I

(Omit if using Alternative II)

1. Specify amounts of coverage Post closure Maintenance Costs \$ 3,225,233
 Corrective Action Costs \$ 1,051,519
 TOTAL COSTS \$ 4,276,752
2. Is the local government currently in default on any outstanding general obligation bonds? Yes ☐ No ☒
3. Does the local government have any outstanding general obligation bonds rated lower than Baa by Moody's or BBB as issued by Standard and Poor's? Yes ☐ No ☒
4. Has the local government operated at a deficit equal to five percent or more of total annual revenue in each of the past two fiscal years? Yes ☐ No ☒
5. Has the local government received an adverse opinion, disclaimer of opinion, or other qualified opinion from the independent certified public accountant (or appropriate State agency) auditing its financial statement as required under §22249(a)? Yes ☐ No ☒

If 2, 3, 4 or 5 = YES, STOP! The local government is NOT eligible to assure its obligations under §22249.

If 2, 3, 4, and 5 = NO, CONTINUE BELOW.

6. Sum of costs assured under §22249 (total of all costs shown above and including the two numbered paragraphs of the letter to CIWMB) \$ 4,276,752
- * 7. Total annual revenue \$ 436,367,000
- * 8. Cash \$ 100,632,021
- * 9. Marketable securities \$ 160,662,979
10. Sum of cash and marketable securities (line 8 + line 9) \$ 261,295,000
- * 11. Total expenditures \$ 378,009,000
- * 12. Annual debt service \$ 6,788,000
13. 43% Threshold Limit on Assured Costs:
 Is line 6 = 43% or less of line 7? Yes ☒ No ☐
14. Liquidity Ratio:
 Is line 10 divided by line 11 greater than or equal to 0.05? Yes ☒ No ☐
15. Debt Service Ratio:
 Is line 12 divided by line 11 less than or equal to 0.20? Yes ☒ No ☐

I hereby certify that this letter is worded as specified by the California Integrated Waste Management Board and is being executed in accordance with the requirements of Title 27, California Code of Regulations, Division 2, Subdivision 1, Chapter 6, section 22249.

Signature  JAMES P. ERB
 Typed or Printed Name

CHIEF FINANCIAL OFFICER/AUDITOR-CONTROLLER 03-15-16
 Title Date